

Risk Management Template

Service Set: *Business & Financial
Systems Services*

One Book Process: *Consent to
Subcontract - Contractor Purchasing
Systems Reviews (CPSRs)*

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- **CONTRACT / CUSTOMER REQUIREMENTS - CPSR**

Contract contains consent/notification requirement

Consent to subcontract risk necessitate a CPSR

- **SUPPLIER COMMON KEY PROCESSES**

- *Vendor rating system,*
- *Best value process,*
- *Internal purchasing system*
- *Audit process,*
- *Make/buy process*

- **RATIONALE FOR CHOICE -
CONTRACTOR VENDOR RATING SYSTEM**

- *Vendor rating system is a key process because selection of poor performing vendors places the Government at increased risk and can affect contract performance, cost, and schedule.*

- **CONTRACTOR VENDOR RATING SYSTEM**
 - **P/C/S HIGH RISK**

Consider likelihood of meeting performance, schedule and cost objectives, and the consequences if objectives are not met

Use contractor risk assessment format & CPSR risk matrix to determine level of risk

- **RATIONALE FOR HIGH RISK RATING**

Lack of vendor financial stability

Resources (manpower, equipment, materiel, facilities) not in place

History of poor performance

- **RISK HANDLING TOOL - SYSTEM EVALUATION**
 - ***INTENSITY***
 - ***The intensity of evaluation is adjusted based on risk assessment using risk matrix***
 - ***SCHEDULE***
 - ***Schedule a CPSR within the next six months***
 - ***FREQUENCY***
 - ***One year after completion of the corrective action plan***
- **RATIONALE FOR RISK HANDLING TOOL**
 - ***Assess supplier ability to take actions necessary to ensure only qualified vendors are selected***

Risk Monitoring

- **MONITORING ASSESSED RISK FOR IMPACT ON RISK RATING**

The CPSR identifies major and minor problems with the supplier's purchasing system.

The corrective action plan describes actions the supplier proposes to take to correct problems found by the CPSR

- **RISK HANDLING ADJUSTMENTS**

Risk rating is adjusted based on contractor taking corrective actions

- **RATIONALE FOR RISK MONITORING**

The supplier's purchasing system is monitored to ensure corrective actions are accomplished and problems are corrected

- ***RISK DOCUMENTATION FOR CPSR CONSISTS OF:***

- The CPSR report,**

- Corrective action plan, and**

- Recommendations for system approval or disapproval**

- ***DOCUMENT ALL CPSR DEFICIENCIES***

- ***FOR DETAILED INFORMATION ON CPSR RISK MANAGEMENT SEE THE ONE BOOK CHAPTER ON CPSR AND THE RELATED GUIDEBOOK***

- ***RISK DOCUMENTATION IS A FORM OF COMMUNICATION***